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Portugal

Kiwifruit

Annual

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Report Highlights:

Portugal's kiwifruit production for MY2002/2003 is forecast at 7,500 MT, 65 percent above 2001/2002 levels due to expectations of improved weather for the season.

Imports are forecast to decrease slightly to 8,000 MT, reflecting the expected increase in domestic production. Marketing prospects for U.S. kiwifruit are not promising, due to greater availability and stiff competition from EU suppliers.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Unscheduled Report
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Production

Kiwifruit PS&D Table

PSD Table						
Country	Portugal					
Commodity	Kiwifruit				(HA)(MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Bearing Area	0	1225	0	1220	0	1200
Non-Bearing Area	0	18	0	13	0	33
TOTAL Area Planted	0	1243	0	1233	0	1233
TOTAL Area Harvested	0	1225	0	1220	0	1200
TOTAL Production	0	5000	0	4500	0	7500
Imports	0	9062	0	9370	0	8000
TOTAL SUPPLY	0	14062	0	13870	0	15500
Exports	0	533	0	372	0	800
Domestic Consumption	0	13529	0	13498	0	14700
TOTAL DISTRIBUTION	0	14062	0	13870	0	15500

The MY2001/2002 kiwifruit production (marketing year - October 2001 - September 2002) is estimated to have been 4,500 MT, one percent below MY2000/2001 levels. Production areas were negatively affected by the continued deterioration of the weather conditions in the Region of Entre-Douro e Minho over the same few years. Production areas were negatively affected by poor pollination during the blooming season due to late frosts followed by heavy rains. As a result, fruit quality, color and size were reportedly considered below normal. Farmers are faced with low prices and stiff competition from other EU countries (mainly Spain, Italy and Germany), and also from Chile.

The MY2002/2003 production is forecast at about 7,500 metric tons (mt), 65 percent above MY2001/2002 levels. Bearing area is expected to be maintained at roughly MY2001/2002 levels at 1,200 hectares (HA) and the higher production forecast is based on assumptions of a return to more normal weather patterns. The sector is facing some pessimism due to the fact that some "old" farmers are retiring and cannot find someone within their families who wish to run the farm. This situation is darkening the optimism the sector has had in the last couple of years due to the continued strong interest of some "young" farmers in kiwifruit production. Therefore, in the long run, further area expansions are not anticipated unless younger farmers replace the increasingly aging group of current producers. Also, price competition from other EU countries and new consumer eating habits with a wider choice of other tropical and semi-tropical fruits may reduce the attractiveness of kiwi production.

Production is regionally concentrated in the Northern "Entre-Douro-e-Minho" region. The dominant kiwifruit variety produced in Portugal is "Hayward", which accounts for 90 percent of total kiwifruit production. Vine density averages 400 vines/ha (females) on a normal density crop and 650 vines/ha (females) on a high density crop. There are currently no disease/pest problems associated with kiwifruit production due to the crop's recent introduction into the country.

Producer prices have been on a downward trend since 1989 when they peaked at an average of 300 esc/kg. Prices in MY2001/2002 averaged about 0.50 Euros/kg, and in MY2002/2003, prices are expected to increase slightly to 0.55 Euros/kg depending on competition from other EU exporting countries.

Consumption

Domestic kiwi consumption during MY2001/2002 was 13,498 mt, slightly above MY2000/2001 levels. Domestic consumption for MY2002/2003 is estimated to increase to 14,700 mt, nine percent above MY2001/2002 levels. This is mainly due to the forecasted increase in domestic production.

Trade

In calendar year (CY) 2001, imports were 9,370 mt, slightly above CY2000 levels. For CY2002, imports are forecast to decrease to around 8,000 mt reflecting the forecasted increase in domestic production for the MY2002/2003 campaign.

The Portuguese import market is dominated by EU suppliers, with Spain (3,638 MT), Italy (2,337 MT) and Germany (1,038 MT) as the leading suppliers in 2001, competing with Chile (742 MT), which accounts for eight percent of total imports. New Zealand kiwis are also sold in the Portuguese market. However, kiwi traders report that they are not able to import directly from New Zealand as New Zealand exporters only sell to "specific" importers in Europe who are then the sole distributors of New Zealand kiwis around Europe. Therefore, Portuguese importers must purchase New Zealand kiwis in Belgium, Germany and Spain, which for statistical purposes, are considered EU kiwis when entering Portugal.

Portuguese kiwifruit exports decreased slightly to 372 MT in 2001.

Import Trade Matrix

Import Trade Matrix			
Country	Portugal		
Commodity	Kiwifruit		
Time period	10/2000	Units:	MT
Imports for:	2000		2001
U.S.		U.S.	
Others		Others	
Italy	3196	Spain	3638
Spain	2850	Italy	2337
Germany	817	Germany	1038
Belgium	770	France	933
France	229	Belgium	562
Greece	69	Netherlands	120
Netherlands	63	Chile	742
Chile	1068		
Total for Others	9062		9370
Others not Listed			
Grand Total	9062		9370

Export Trade Matrix

Export Trade Matrix			
Country	Portugal		
Commodity	Kiwifruit		
Time period	10/2000	Units:	MT
Exports for:	2000		2001
U.S.		U.S.	
Others		Others	
Netherlands	420	Netherlands	264
Spain	38	Spain	59
Canada	47	Cape Verde	26
Cape Verde	22	Brazil	18
Total for Others	527		367
Others not Listed	6		5
Grand Total	533		372

Marketing

Market opportunities for the United States are less than promising due to abundant domestic and EU kiwifruit supplies and strong competition from the EU kiwifruit industry.

The bulk of domestic kiwifruit production is marketed through four companies (Frutas Douro ao Minho, Sokiwi, Kiwisol and Kiwicoop). They primarily act as the main distributors of domestic production, dealing directly with retailers, wholesalers and importers, establishing prices in accordance with supply and demand. Together, these four companies account for about 5,500-6,500 mt of the total supply.

In addition, kiwis are also sold at the wholesale markets directly by producers and wholesalers. As is the case with other consumer food items, kiwi retailing is being increasingly dominated by the super- and hyper-markets, which are estimated to account for almost 80 percent of all kiwifruit sold in Portugal.